The Bay Institute of San Francisco

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"Restoring The Bay's ecosystem ... from the Sierra to the sea."

September 17, 1998

Co-chairs, CALFED Policy Group:

Douglas Wheeler, Secretary California Resources Agency 1416 Ninth Street #1311 Sacramento, CA 95814

Robert Perciasepe, Assistant Administrator U.S. Environmental Protection Agency 401 M Street, SW Washington, D.C. 20460

RE: DEVELOPING A DRAFT PREFERRED ALTERNATIVE

Gentlemen:

Thank you for inviting me and other stakeholder representatives to discuss at the last Policy Group meeting the development by the CALFED Bay-Delta Program of a draft preferred alternative. This letter is intended to memorialize and expand upon the comments I made at that time.

1. CALFED needs to better incorporate an adaptive management approach into the draft preferred alternative. The proposed staged implementation/decision-making approach is too mechanistic, minimizes uncertainty, and would preclude evaluation of a broader range of long-term options.

Using an adaptive management approach,

• the desired endpoint is defined in clear, measurable goals and objectives.

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- a menu of implementation options is assessed according to certainty of need, efficacy and implementability (including cost-effectiveness).
- where higher certainty exists, full implementation proceeds; where lower certainty exists, research and experimentation proceeds.
- data on the performance of implementation, research and experimentation measures is collected and assessed.
- where objectives are not being achieved over time, re-evaluation of a range of options -- including both previously identified and new measures -- is triggered, and the most appropriate selected for implementation.

To date, this adaptive management paradigm has been successfully applied to the ecosystem restoration component of the draft preferred alternative. The other components of the draft preferred alternative, particularly water supply reliability, should be revised to be more consistent with adaptive management.

2. CALFED should clarify the Program's water supply reliability goals and objectives.

CALFED's water supply reliability goals and objectives are not adequately defined in the draft preferred alternative. We strongly agree with the Program that the overarching water supply reliability goal is to reduce the mismatch between supply and demand, and not to meet all demands for water in the state, nor solve all the state's water supply problems. Clear, measurable objectives for reducing the supply-demand mismatch — and delineating the appropriate contribution of Bay-Delta water management to achieving this end — are lacking, however.

For discussion purposes, a set of meaningful water supply goals and objectives might include the following:

- stabilize and cap average annual withdrawals from the Bay-Delta at existing levels, with a shift to decreased dry-year withdrawals and increased wet-year withdrawals.
- ensure continuing quantity and quality of water supplies adequate for direct human consumption.
- provide the water management tools necessary to help maintain desirable levels of economic and social benefit derived from water use.

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3. CALFED should make decisions on implementation of measures to achieve water supply reliability based on certainty of need, efficacy and implementability.

CALFED has not applied an adaptive management approach in selecting water supply reliability measures for implementation. For instance, long-term construction of additional surface storage is identified as part of the draft preferred alternative. CALFED has not acknowledged, however, major uncertainties regarding the need for, efficacy and implementability of new surface storage.

- Need: the justification for additional storage is based in part on assumptions regarding current and future demand which have been the subject of serious, continuing criticism. Questionable demand assumptions should not drive questionable implementation decisions.
- Efficacy: it is probably not possible to conclusively asses the relative ability of surface storage versus other water management measures to achieve water supply reliability objectives at this time. However, since these other measures including increased conservation and recycling; facilitation of water transfers; increased groundwater storage and conjunctive use programs; changes in pricing of water; and changes in flood reservations from reservoir reoperation and floodplain/floodway expansion are all foundational elements of any long-term solution, it is appropriate to evaluate the ability of these measures to achieve water supply reliability objectives prior to authorizing additional water supply infrastructure.
- Implementability: the cost-effectiveness of new surface storage is in serious doubt. There is little support for general public financing of new water supply facilities, and little interest among the potential water user beneficiaries in paying for such facilities. Ecosystem restoration funds cannot be relied upon, since market acquisitions, groundwater storage, and other mechanisms provide alternative sources of water for environmental purposes.
- 4. If water supply reliability objectives are not being achieved, CALFED should trigger re-evaluation of a range of options, rather than proceed along a predetermined track.

Additional surface storage and other changes to the water supply infrastructure should remain among the options to be considered by CALFED if water supply reliability objectives are not being achieved over the next 10 - 15 years. However, pre-authorizing storage at this time would violate one of the most fundamental premises of adaptive management: that the manager should learn from experience. Under the draft preferred alternative in its current state, CALFED would be precluded from learning from its experience implementing the water supply

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reliability program, in order to improve it, and from considering other significant options, such as desalination, emerging conservation technologies, and larger-scale land retirement, for which new information may also become available.

- 5. In conclusion, the most successful CALFED solution will have three main components:
 - a set of goals and objectives that are clear, measurable, and achievable.
 - a Stage 1 program that implements common program elements and develops needed additional data through research and experiment programs to address and reduce uncertainties about the best long-term means to achieve program objectives.
 - improved institutional, legal and economic arrangements to manage ecosystem restoration and water use which build confidence in the integrity of the decision making process and in its ability to adequately address and resolve uncertainties in decision making beyond the completion of the Stage 1 program.

We urge the CALFED Program to revise the draft preferred alternative to be consistent with these recommendations based on the principles of adaptive management.

Thank you for your consideration of our views. I look forward to working with you and the CALFED Program staff to identify a successful Bay-Delta solution.

Sincerely,

Gary Bobker

Senior Policy Analyst

cc: Lester Snow, CALFED Bay-Delta Program